GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:875
ANSWERED ON:07.02.2017
Security Clearance for GSTN
Kodikunnil Shri Suresh

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether the Home Ministry has sought a response and clarification from competent authorities of the Government about the requirement of security clearance for Goods and Services Tax Network (GSTN), the special purpose vehicle set up to provide IT infrastructure and services
for implementation of GST;

(b) if so, the details of the private entities holding a stake in the GSTN;

(c) whether there has been a delay from the part of the Government in ascertaining the need for clearance;

(d) if so, whether this has affected the roll out of GSTN, which is crucial to integrating GST in the country; and

(e) if so, the details thereof and the follow up action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI HANSRAJ GANGARAM AHIR)

(a): Comments of Ministry of Finance were sought on a reference, from an Hon'ble Member of Parliament, containing issues pertaining to security clearance of GSTN-SPV.
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(b): Details of entities holding stakes in the GSTN-SPV are as under:
Central Government 24.5%
State Governments, 2UTs & EC collectively 24.5%
HDFC Ltd 10%
HDFC Bank Ltd 10%
ICICI Bank Ltd 10%
NSE Strategic Investment Corporation Ltd 10%
LIC Housing Finance Ltd 11%

(c) to (e): The Government had constituted an Empowered Group (EG) on IT infrastructure for GST in consultation with Empowered Committee of State Finance Ministers (EC) to suggest, inter-alia, the modalities for setting-up of a National Information Utilities (NIU/SPV) for implementation of a Common Portal to be called GST Network (GSTN). The decision to set-up the GSTN was approved by the Government on 12.04.2012. Accordingly, GSTN-SPV was incorporated in March 2013 as a non-Government, not for profit (Section 25), private limited company registered under the Companies Act, 1956 with 24.5% equity held by Central Government, 24.5% equity held by State Governments, UTs and EC collectively and 51% held by institutions as shown in part (b) of the answer. No security clearance was obtained by the Ministry of Finance from the Ministry of Home Affairs at the time of incorporation of GSTN-SPV.
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